

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GRAYSON RURAL ELECTRIC)	
COOPERATIVE CORPORATION TO CONVERT ITS)	
CURRENT VARIABLE RATE LOANS APPROVED IN)	CASE NO. 9943
CASE NOS. 9248 AND 9343 TO LONG-TERM)	
FIXED RATE LOANS)	

O R D E R

On June 1, 1987, Grayson Rural Electric Cooperative Corporation ("Grayson") filed a letter requesting that Case Nos. 9248 and 9343 be reopened for purposes of amending the Orders entered therein to authorize Grayson to convert its current variable rate loans to long-term fixed rate loans. Grayson states that it desires to convert these loans to take advantage of favorable current long-term interest rates.

The Commission is of the opinion and hereby finds that:

1. Grayson's letter should be treated as an application to convert existing variable rate loans to fixed rate loans.
2. Grayson's application should be accepted for filing and investigated to determine the reasonableness of the proposed loan conversion.
3. Case Nos. 9248 and 9343 should not be reopened but a new case should be established with the prior case records incorporated by reference.

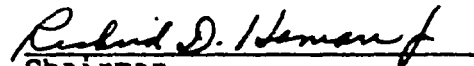
IT IS THEREFORE ORDERED that:


1. Grayson's application be and it hereby is accepted for filing and this case established to consider the merits of the proposed interest rate conversion.

2. The records in Case Nos. 9248 and 9343 be and they hereby are incorporated herein by reference.

Done at Frankfort, Kentucky, this 17th day of June, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director